

NOTE: As provided in LFC policy, this report is intended only for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used for other purposes.

The most recent FIR version (in HTML & Adobe PDF formats) is available on the Legislative Website. The Adobe PDF version includes all attachments, whereas the HTML version does not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR: Boykin DATE TYPED: 01/31/03 HB 85

SHORT TITLE: Expand Disabled Vet Exemption SB _____

ANALYST: Neel

REVENUE

| Estimated Revenue | | Subsequent Years Impact | Recurring or Non-Rec | Fund Affected |
|-------------------|---------------------------|---------------------------|----------------------|------------------|
| FY03 | FY04 | | | |
| | \$ (0.1) See Narrative | \$ (0.1) See Narrative | Recurring | Local Government |
| | \$ (0.1) See Narrative | \$ (0.1) See Narrative | Recurring | School Districts |

(Parenthesis () Indicate Revenue Decreases)

Duplicates:

HB-71, Expand Disabled Veteran Exemption

Relates to:

HB-84, Increase Veteran Tax Exemption

HB 184, Increase Veteran Tax Exemption

HJR 2, Veterans Property Tax Exemption, CA

SB 119, Increase Veteran's Tax Exemption

SB 188, Implement Increased Veteran Tax Exemption

SOURCES OF INFORMATION

LFC files

Responses Received From

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

House Bill 85 implements the recent constitutional amendment that removes the requirement for 100-percent disabled veterans to adapt their homes via a grant from the federal government to

qualify for a total exemption from property taxes. They may now receive the exemption by proving that they are honorably discharged and 100-percent disabled.

HB 85 contains an emergency clause. Therefore, the provisions will be effective in the current property-tax year.

FISCAL IMPLICATIONS

According to TRD, the removal of requirements for veterans to adapt their homes to qualify for 100 percent property exemption will have minimal impact because the base reduction associated with this provision will be mitigated by the existing \$2,000 exemption that they will forego. The primary impact of the proposal will therefore be to shift the burden from individuals that qualify for the exemption to individuals that do not qualify for it. Local impacts, although likely to be very small, will depend on the number of individuals within each jurisdiction who qualify for the exemption, as well as local property rates, assessed values and similar variables.

ADMINISTRATIVE IMPLICATIONS

The Veterans Service Commission notes the agency will need additional FTE's to handle the increase in applications both for the veterans tax exemption and with the disabled veterans tax exemption.

SN/sb;yr